SENATE TAXATION
EXHIBIT NO.
DATE 3.23.11
BILL NO. SB408

SENATE BILL NO. 408

SPONSORED BY: SENATOR CHRISTINE KAUFMANN

SENATE TAXATION 8:00 AM – Wednesday, March 23, 2011 – Room 405

"Revise Oil & Gas Tax Holiday"

By: Patrick M. Montalban, Lobbyist - NMOGA

Ser Gas Well Economics Stripper Gas Well Economics Stripper Gas Well: Commercial Modernation Stripper Gas Well: Commercial Modernation Stripper Gas Well: Commercial Modernation	891.10 (9,966.25)	1st Year Prod Taxes (0.0076) Incentive Savings:	239.48 (2,678.43)	1st Year Prod Taxes (0.0076) Incentive Savings:	95.79 (1,071.37)	1st Year Prod Taxes (0.0076) Incentive Savings:
Stripper Gas Well Economics Stripper Gas Well Economics	\$ 175,000.00 1.7 Years	Drilling & Completion Costs: Payout:	\$ 175,000.00 7.7 Years	Drilling & Completion Costs: Payout:	\$ 175,000.00 31 Years	Drilling & Completion Costs: Payout:
Stripper Gas Well Economics Stripper Gas Well Economics 50 MCF Per Day Well: 100 MCF Per Day Well: \$2.15 50 MCFD x 335 days = 16750 \$2.15 Average Price Per MCF: \$2.15 Annual Revenue: 16750 MCFs @ \$2.15/MCF: 36,012.50 11,800.63) Less Royalty Expense: 4,501.56) 12.5% Royalty Less Production Taxes: (0.0926) (2,917.91) Less Operating Expenses: Less Operating Expenses: Stripper Gas Well Economics 100 MCF Per Day Well: 100 MCFD x 335 days = 104,00 MCFD x 335 days = 104,00 MCFD x 335 days = 105,00 MCF Per Day Well: 106,7	(1,000.00) (3,600.00) (1,200.00) 100,592.65	Methanol & Heaters: Field Labor "Rope, Dope & Soap" Annual Net Revenue	(1,000.00) (3,600.00) (1,200.00) 22,793.02	Methanol & Heaters: Field Labor "Rope, Dope & Soap" Annual Net Revenue	(1,000.00) (3,600.00) (1,200.00) 5,637.21	Methanol & Heaters: Field Labor "Rope, Dope & Soap" Annual Net Revenue
Stripper Gas Well Economics Stripper Gas Well Economics Stripper Gas Well Economics 6700 50 MCF Per Day Well: 100 MCF Per Day Well: 50 MCFD x 335 days = 16750 100 MCFD x 335 days = 400 MCFD x 335 days = 100 MCFD x 335 days = 400 MCFD x 335 days = 100 MCFD x 335 days = 400 MCFD x 335 days = 100 MCFD x 335 days = 400 MCFD x 335 days = 100 MCFD x 335 days = 400 MCFD x 335 days = 100 MCFD x 335 days = 400 MCFD x 335 days = 100 MCFD x 335 days = 400 MCFD x 335 days = 100 MCFD x 335 days = 400 MCFD x 335 days = 100 MCFD x 335 days = 400 MCFD x 335 days = 400 MCFD x 335 days = 400 MCFD x 335 days = 400 MCFD x 335 days = 400 MCFD x 335 days = 400 MCFD x 335 days = 400 MCFD x 335 days = 400 MCFD x 335 days = 400 MCFD x 335 days = 400 MCFD x 335 days = 400 MCFD x 335 days = 400 MCFD x 335 days = 134,0 4,501.50 4,501.56 12.5% Royalty Expense: <td></td> <td>Less Operating Expenses:</td> <td></td> <td>Less Operating Expenses:</td> <td></td> <td>Less Operating Expenses:</td>		Less Operating Expenses:		Less Operating Expenses:		Less Operating Expenses:
Stripper Gas Well Economics Stripper Gas Well Economics Stripper Gas Well Economics 6700 50 MCF Per Day Well: 100 MCF Per Day Well: \$2.15 Average Price Per MCF: \$2.15 Annual Revenue: 400 MCFD x 335 days = Annual Revenue: 36,012.50 14,405.00 16750 MCFs @ \$2.15/MCF: 36,012.50 33500 MCFs @ \$2.15/mcf: 134,0	(16,750.00) (10,857.35)	Less Royalty Expense: 12.5% Royalty Less Production Taxes: (0.0926)	(4,501.56) (2,917.91)	Less Royalty Expense: 12.5% Royalty Less Production Taxes: (0.0926)	(1,800.63) (1,167.17)	Less Royalty Expense: 12.5% Royalty Less Production Taxes: (0.0926)
Stripper Gas Well Economics 50 MCF Per Day Well: 6700 50 MCFD x 335 days = 16750 Average Price Per MCF: \$2.15 Stripper Gas Well Economics 100 MCF Per Day Well: 100 MCFD x 335 days = 100 MCFD	134,000.00	Annual Revenue: 33500 MCFs @ \$2.15/mcf:	36,012.50	Annual Revenue: 16750 MCFs @ \$2.15/MCF:	14,405.00	Annual Revenue: 6700 MCFs @ \$2.15/MCF:
Stripper Gas Well Economics 50 MCF Per Day Well: 6700 50 MCFD x 335 days = 16750 100 MCFD x 335 days =	\$2.15	Average Price Per MCF:	\$2.15	Average Price Per MCF:	\$2.15	Average Price Per MCF:
Stripper Gas Well Economics 50 MCF Per Day Well:	33500	100 MCFD x 335 days =	16750	50 MCFD x 335 days =	6700	20 MCFD x 335 days =
Stripper Gas Well Economics		100 MCF Per Day Well:		50 MCF Per Day Well:		20 MCF Per Day Well:
		Stripper Gas Well Economics		Stripper Gas Well Economics		Stripper Gas Well Economics

Drilling & Completion Costs: Payout:	\$ 350,000.00 8.0 Years	Drilling & Completion Costs: Payout:
Electricity Chemical Field Labor "Rope, Dope & Soap" Net Revenue	(6,000.00) (2,400.00) (3,600.00) (1,200.00) 43,986.05	Electricity Chemical Field Labor "Rope, Dope & Soap" Net Revenue
Less Royalty Expense: 12.5% Royalty Less Production Taxes (0.0926) Less Operating Expenses:	(9,003.13) (5,835.83)	Less Royalty Expense: 12.5% Royalty Less Production Taxes (0.0926) Less Operating Expenses:
Annual Revenue: 3350 bbls @ \$84.00/bbl:	72,025.00	Annual Revenue: 1675 bbls @ \$84.00/bbl:
Average Price Per Barrel:	\$84.00	Average Price Per Barrel:
10 bbls x 335 days =	1675	5 bbls x 335 days =
10 Barrel Per Day Well:		5 Barrel Per Day Well:
Stripper Oil Well Economics		Stripper Oil Well Economics

Drilling & Completion Costs: Payout:	Less Operating Expenses: Electricity Chemical Field Labor "Rope, Dope & Soap" Net Revenue	Less Royalty Expense: 12.5% Royalty Less Production Taxes (0.0926)	Annual Revenue: 3350 bbls @ \$84.00/bbl:	Average Price Per Barrel:
\$ 350,000.00 3.5 Years	(6,000.00) (2,400.00) (3,600.00) (1,200.00) 101,172.10	(18,006.25) (11,671.65)	144,050.00	\$84.00

	1st Year Prod Taxes (0.0076)
(10,713.72)	957.93

1st Year Prod Taxes (0.0076)

1,915.87 (21,427.44)

1st Year Prod Taxes (0.0076) Incentive Savings:

478.97 (5,356.86)

\$ 350,000.00 1.6 Years	Drilling & Completion Costs: Payout:
(6,000.00 (2,400.00 (3,600.00 (1,200.00 215,544.20	Less Operating Expenses: Electricity Chemical Field Labor "Rope, Dope & Soap" Net Revenue
	Less Royalty Expense: 12.5% Royalty Less Production Taxes (0.0926)
	Annual Revenue: 6700 bbls @ \$84.00/bbl:
	Average Price Per Barrel:
	20 bbls x 335 days =
	20 Barrel Per Day Well:
	Stripper Oil Well Economics

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